

The London Borough
of Bromley

Local Pension Board

Draft Terms of Reference

Draft Terms of reference for the Local Pension Board of the London Borough of Bromley Pension Fund

1. This document sets out the terms of reference for the Local Pension Board of the London Borough of Bromley Pension Fund as required by the Public Service Pensions Act 2013 and the Local Government (Amendment) (Governance) Regulations 2014.

Scheme Management

2. The London Borough of Bromley, as administering authority, is the Scheme Manager . Its functions are discharged in accordance with the Council's scheme of delegation by:
 - General Purposes and Licensing Committee
 - Pensions Investment Sub-committee (Sub-committee to the General Purposes and Licensing Committee)
 - Director of Finance

The Local Pension Board

3. The role of the Local Pension Board is to:

Assist the London Borough Bromley, as the administering authority

 - to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
 - to secure compliance with requirements imposed in relation to the scheme by the Pensions Regulator;
 - in undertaking any relevant work as requested;
 - in such other matters as the scheme regulations may specify.
4. The Local Pension Board will ensure that the Code of Practice on governance and administration issued by the Pensions Regulator is complied with. The Board will also ensure that it complies with the knowledge and understanding requirements in the Pensions Regulator's Code of Practice.
5. The Local Pension Board is accountable to the Pensions Regulator, the National Scheme Advisory Board and the Administering Authority in their role as Scheme Manager. The National Scheme Advisory Board will advise both the Department for Communities and Local Government (DCLG) and the Bromley Pension Fund. The Pensions Regulator will report to DCLG but will also be a point of escalation for the Local Pension Board for matters such as whistle blowing or similar issues (supplementary to the whistle blowing policy and anti- fraud and corruption policies operated by the administering authority).

6. The principal functions of the Local Pension Board shall include, but not be limited to:
- Reviewing decision making processes, policies and procedures to ensure they are compliant with relevant Regulations;
 - Seeking assurance that these are followed and adhered to with regard to Pensions decisions;
 - Seeking assurance that administration performance is in compliance with the Council's performance framework and that monitoring arrangements are adequate and robust;
 - Considering the effectiveness of communication with employers and scheme members including a review of the Communication Strategy;
 - Considering and commenting on internal audit recommendations and external auditor reports.

Any complaint or allegation of a breach of the Regulations brought to the attention of the Local Pension Board shall be dealt with in accordance with the Code of Practice as published by the Pensions Regulator.

Frequency and Notice of Meetings

7. The Local Pension Board shall meet on an annual basis to discharge its duties and responsibilities. Members of the Board are invited to attend the meetings of both the Pensions Investment Sub-Committee and the General Purposes and Licensing Committee as observers, to aid them in fulfilling their role.
8. The Pensions Manager shall give notice to all Local Pension Board members of each meeting of the Board, including the date, location and time of the meeting and shall ensure that a formal record of the Local Pension Board proceedings is maintained.
9. Papers will be provided at least one week before each of the formal Local Pension Board meetings.
10. All agendas and non-confidential Local Pension Board papers and minutes of meetings will be published on the London Borough of Bromley website, together with the Board Terms of Reference and details of the Board membership.

Membership

11. The Local Pension Board shall consist of 4 members and be constituted as follows:

<u>Number</u>	<u>Constituency</u>	<u>Definition / Constraints</u>
2	Employer	To represent all employers within the fund
2	Scheme Member	To represent all members of the scheme (active, deferred and pensioner)

12. The term of office for all members of the Board is three years. Members may at the end of their term, express the wish to be considered for reselection.
13. Local Pension Board members must meet key training requirements to retain their membership during this period.
 - a member must attend all meetings of the Board.
 - the training plan produced by the Pensions Manager must be complied with by each member.
 - the Pension Regulator's Code of Practice must be complied with.
14. All employers and members within the Bromley Fund must have an equal opportunity to be nominated for the role of employer and member representative respectively.
15. For the purpose of appointing employer representatives to the Board, nominations will be sought from all fund employers including the London Borough of Bromley. Formal appointments will then be made by full Council.
16. For the purpose of appointing member representatives to the Board, nominations will be requested through the Departmental Representatives and Trade Union Forum with further nominations being sought via an advert placed on the Council's website and by way of a written appeal to all scheduled and admitted bodies. Where more than two nominations are received candidates will be considered, shortlisted and interviewed by an appointments panel who will then make recommendations to the General Purposes and Licensing Committee to formally appoint. The appointments panel will consist of the Chief Accountant, the Pensions Manager and an officer from Human Resources.
17. If a Local Pension Board member acting as an employer representative leaves the employment of the employer they are representing they will no longer be eligible to sit on the Board.
18. In the event of non-attendance of a Board member, or for failure to meet with training requirements as set out in (13) above, the tenure of that membership will be reviewed. In the case of a member representative, this will be done by the appointments panel who may make recommendation to General Purposes and Licensing Committee for the membership to be revoked if considered necessary. In such event, there will be a right of appeal to the Director of Finance prior to any recommendation. In the case of an employer representative, any such decision will be considered by Council.
19. If an employer or scheme member representative wishes to resign they must write to the Pensions Manager, giving at least one months' notice.
20. In the event of the death of a Board member, a replacement will be sought for the remainder of the term of office, in the ways set out in paragraphs 15 and 16, dependant on whether an employer or member representative is being sought.

20. The Chairperson of the Local Pension Board will be rotated on an annual basis between a member representing employers and those representing scheme members.
21. It will be the role of a representative acting as Chairperson to
 - Agree and set the agenda for a meeting of the Board
 - Manage the meetings to ensure that the business of the meeting is completed in the agreed time
 - Ensure that all members of the Board show due respect for process and that all views are fully heard and considered
 - Strive as far as possible to achieve a consensus as an outcome
 - Ensure that the actions and rationale for decisions taken are clear and properly recorded.
22. Personal attendance is expected of all Board members, at all meetings with no provision for a substitute.
23. The Board may, with the approval of the Chief Accountant, co-opt persons who are not members to aid the Board for a period of time or for a specific task where this would provide additional skills, knowledge or experience. The co-opted members would not be permitted to vote.

Quorum

24. Three of the four Board members must be present for a meeting to be quorate. If the Chairperson is absent at a meeting and there is a quorum then the attending members must choose a Chairperson to preside over that meeting.

Knowledge and Skills

25. A member of the Pension Board must become conversant with
 - The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
 - Any policies, procedures or decision making processes about the administration of the LGPS adopted by the London Borough of Bromley Pension Fund.
27. It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.
28. Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.
29. Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Standards of Conduct and Conflicts of Interest

30. The role of the Local Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Local Pension Board members. Board members will be required to observe both, The Code of Conduct for Councillors and Co-Opted members and Data Protection policies of the London Borough of Bromley. The Board is required to always act within these terms of reference. In accordance with the Public Service Pension Act 2013 a Board member must not have a financial or other interest that could prejudice them in carrying out their Board duties. This does not include a financial or other interest arising merely by virtue of membership of the LGPS.
31. As such all members of the Pension Board will be required to declare any interests and any potential conflicts of interest in line with the requirements of the Public Service Pensions Act 2013 and The Pension Regulator's code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure.

Reporting

32. The Board is expected to produce a single Annual Report to the Pensions Manager which should include:
 - A summary of the work of the Local Pension Board and a work plan for the coming year
 - Details of areas of concern reported to or raised by the Board and recommendations made
 - Details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed
 - Any areas of risk or concern the Board wish to raise with the Scheme Manager
 - Details of training received and identified training needs
 - Details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.
34. Should the Board have concerns believed to be sufficiently serious that they should be reported at a higher level than is standard (to the Pensions Manager) they should report to the Chief Accountant or the Director of Finance. This may include, but not be limited to, occasions where the Board feel that previous recommendations have not been acted upon. In extreme cases such as a fundamental breach of Regulations or a fundamental failure by the Administering Authority to ensure effective governance of the fund, the Board may consider reporting to the National Scheme Advisory Board and/or the Pensions Regulator.

Expertise and Advice

35. It may be necessary for the Local Pension Board to draw on particular experts or expert groups to aid and support its responsibilities. This may include, but is not limited to, actuaries and lawyers. This will be done on an 'as required' basis, via the Pensions Manager. Any expert advisor attending a meeting of the Board is not a Board member and does not have a vote. The Board is not permitted to create sub-boards or working groups.

Below is a list of some of the potential advisers that may be considered appropriate to advise the Board.

- A Governance Adviser
- The Fund's Actuary
- The Fund's Administrator (external contractor)
- The Fund's Legal Adviser
- The Fund's Investment Manager(s)
- The Fund's Investment Adviser(s)
- The Pensions Manager

Remuneration

36. Remuneration for members of the Local Pension Board will be limited to a refund of actual expenses incurred in attending Board meetings and training. It is expected that employers of board members will provide appropriate capacity to allow the member to perform this role within their normal working day without any reduction to pay.

Expense claims should be submitted no later than 1 month following the incursion.

Publication of Local Pension Board Information

37. Up to date information will be posted on the London Borough of Bromley website showing:
- Names and information of the Local Pension Board members
 - How the scheme members and employers are represented on the Local Pension Board
 - Responsibilities of the Local Pension Board as a whole
 - Full terms of reference and policies of the Local Pension Board and how they operate
 - Local Pension Board appointment process

Review

38. These terms of reference will be formally adopted by the Board at its first meeting and be reviewed after the Board has been fully operational for a period of one year.

The Pensions Manager is authorised to make minor amendments, consequential upon statutory or regulatory change, or to update arrangements consequential on other external factors.